Received By: rchampag

Received: 12/18/2002

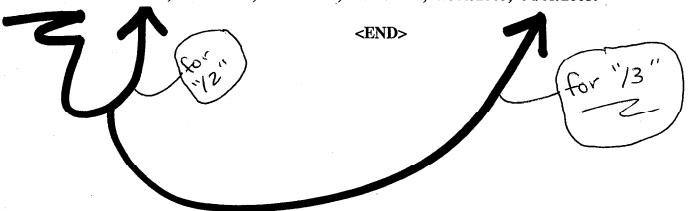
2003 DRAFTING REQUEST

Bill

Wanted:	As time perm	its	Identical to LRB:					
For: Teri	ri McCormick	x (608) 266-75	00		By/Representing: jennifer Drafter: rchampag			
This file	may be shown	to any legislat	or: NO					
May Con	tact:				Addl. Drafters:	mshovers pkahler		
Subject: Employ Pub - collective bargain Employ Pub - employee benefits Munis - miscellaneous Insurance - health					Extra Copies:			
Submit v	ia email: YES				("/3"			
Requester's email: Rep.McCormick@legis.state.wi.us							.*	
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Topic:								
Provision	of health insu	rance for publi	c sector em	ployees		,		
Instructi	ions:							
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Vers.	<u>Drafted</u>	Reviewed	Typed	Proofed	<u>Submitted</u>	Jacketed	Required	
/?							S&L	
/1	rchampag 01/06/2003	csicilia 01/13/2003	pgreensl 01/14/20		mbarman 01/14/2003		S&L	

Vers.	<u>Drafted</u>	Reviewed	Typed	<u>Proofed</u>	Submitted	Jacketed	Required
	pgrant 01/07/2003 mshovers 01/07/2003	csicilia 01/14/2003					
/2	rchampag 01/23/2003	csicilia 01/23/2003	jfrantze 01/23/200	3	lemery 01/23/2003	sbasford 02/05/2003 sbasford 02/05/2003	S&L
/3	rehampag 03/24/2003 rehampag 04/02/2003	csicilia 04/01/2003 csicilia 04/02/2003 csicilia 04/03/2003	pgreensl 04/02/200 pgreensl 04/03/200		mbarman 04/03/2003	mbarman 04/03/2003	

FE Sent For: 02/05/2003, 02/05/2005, 02/05/2005, 02/05/2005, 04/03/2003.



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For: Terr	ri McCormick	(608) 266-750		By/Representing:	jennifer				
This file	may be shown	to any legislato	or: NO		Drafter: rchampa	g			
May Contact:					Addl. Drafters:	mshovers pkahler			
Subject: Employ Pub - collective bargain Employ Pub - employee benefits Munis - miscellaneous Insurance - health					Extra Copies:				
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2003 DRAFTING REQUEST

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Subject:	Employ Pub - collective bargain Employ Pub - employee benefits Munis - miscellaneous Insurance - health	Extra Copies:				
Submit via er	nail: YES					
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Provision of l	health insurance for public sector employees					
Instructions See Attached						
Drafting His	story:					
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Champagne, Rick

From:

Komassa, Jennifer

Sent:

Wednesday, December 18, 2002 12:30 PM

To:

Champagne, Rick

Subject:

Task Force on Local Government Health Partnerships





task force bill draft

RE: memo

Hello,

Per our discussion this morning, here the drafts that the Legislative Council had compiled for us. For the most part, Representative McCormick is happy with the language of the drafts. She does have one change she'd like to see be made though.

I have enclosed a memo from Leg Council member Nick Zavos. Our office had asked for this memo to clarify which drafts would potentially affect witch groups of local employees. The change Rep. McCormick would like to see made is to draft 0271. She would like this to apply to firefighters/police. Currently it does not.

If you have any questions, please feel free to call.

Thank you, Jennifer Komassa

Jennifer Komassa

Legislative Assistant
Office of Representative McCormick
(608) 266-7500
(888) 534-0056
Fax: (608)282-3656



WISCONSIN LEGISLATIVE COUNCIL

Terry C. Anderson, Director Laura D. Rose, Deputy Director

TO:

REPRESENTATIVE TERRI MC CORMICK

FROM:

Nick Zavos, Staff Attorney

RE:

Application of WLC: 0023/2, WLC: 0271/1, and WLC: 0007/P3

DATE:

November 5, 2002

This memorandum, prepared at the request of your aide, explains which municipal employees WLC: 0023/2, WLC: 0271/1, and WLC: 0007/P3 apply to

Subchapter IV of Chapter 111 governs municipal employer relations. Section 111.70 (1) (i) defines employee as "any individual employed by a municipal employer other than an independent contractor, supervisor, or confidential, managerial or executive employee."

WLC: 0271/1 modifies the language concerning the factors considered in rendering an arbitration award. This draft applies to all municipal employees except police officers and fire fighters.

WLC: 0007/P3 makes the selection of health care benefits a prohibited subject of bargaining if the municipal employer offers to enroll its employees in a health care benefit plan under s. 40.51 (7), Stats., or in a plan that is substantially similar to a plan offered under s. 40.51 (7), Stats. This draft applies to all municipal employees except school district professional employees.

WLC: 0023/2 allows a municipal employer to unilaterally change its employees' health care benefits plan provider, regardless of the terms of a collective bargaining agreement, if the new plan offers the same health care providers and substantially similar benefits. This draft applies to all municipal employees.

If you have any questions or need additional information, please contact me directly at the Legislative Council staff offices.

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JLK:LR:NZ:tlu:rv;jal

11/15/2002

AN ACT to renumber 66.0137 (5); to amend 40.02 (25) (bm), 40.85 (1) and (2) (d) and (e), 40.875 (1) (a) (intro.) and (b), 66.0137 (1), 111.70 (4) (cm) 7r. d., e., f., and h. and 632.797 (5); and to create 15.167, 22.07 (10) and (11), 40.03 (6) (k), 40.57, 66.0137 (5) (b) and (c), 111.70 (4) (n) and (o), 601.415 (13), (14), and (15), 610.66 and 632.797 (1) (d) of the statutes; relating to: collective bargaining over health care coverage for municipal employees; allowing municipal employers to change health care benefit plan providers; factors considered in rendering an arbitration decision; creating a council on health care coverage programs in the department of employee trust funds and requiring the department of employee trust funds to prepare a report on offering group health insurance plans at different cost levels to local government employers and employees; expanding the employee-funded reimbursement accounts program administered by the group insurance board to local government employers; requiring the group insurance board to offer for purchase long-term care insurance policies to employees of local governments; convening a task force to conduct a feasibility study on forming a state pool for the bulk purchasing of prescription drugs; disclosure of health insurance claims experience of local governmental units; and bids submitted to local governmental units for health insurance; and granting rule-making authority.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

LEGISLATIVE COUNCIL STAFF PREFATORY NOTE: This draft incorporates all of the drafts approved by the Assembly Task Force on Local Government Health Partnerships. This prefatory note separately describes each of the approved drafts.

WLC: 0007

Under current law, matters that relate to wages, hours, and conditions of employment are mandatory subjects of bargaining. Under this draft, municipal employers, other than school districts with respect to professional employees, are prohibited from bargaining collectively over the selection of a health care benefits plan if the employer offers to enroll its employees in a plan offered by the group insurance board (GIB) under s. 40.51 (7), stats. (that is, the Wisconsin Public Employers' Group Health Insurance Program (WPEGHIP)), or in a plan that is substantially similar to a WPEGHIP plan. It does not affect bargaining over the effects of an employer's decision to offer such a plan. For example, the amount of the employer's premium contribution to the plan remains a bargainable issue.

Under this draft, the Commissioner of Insurance (OCI) is required to promulgate rules to be used in determining whether health care benefit plans are substantially similar to a WPEGHIP plan.

WLC: 0023

Under current law, both parties to a collective bargaining agreement must agree to a modification of that agreement. Under this draft, a municipal employer would be able to unilaterally change its employees' health care benefits plan provider as long as the benefits remain substantially similar and the health care providers remain the same. Any savings from such a switch must be put into salaries.

WLC: 0271

Under current law, subch. IV, ch. 111, stats., among other things, specifies the factors that an arbitrator must take into consideration when deciding a municipal labor dispute. For municipal employees, other than fire fighters and police officers, "greatest weight" must be given to legislative or administrative directives that impose spending or revenue collecting limits on the municipal employer. "Greater weight" must be given to the economic conditions in the jurisdiction of the municipal employer. Finally, in no rank or preference, 10 factors must be "considered".

Among those 10 factors is a comparison of the wages, hours, and conditions of employment of the municipal employees involved in the arbitration with the wages, hours, and conditions of employment of employees providing similar services and of employees in public and in private employment in the same and comparable communities. This draft specifies that in making those comparisons the arbitrator must

compare the wages, hours, and conditions of employment as a whole, rather than as individual elements.

Another factor to be "considered" is the overall compensation presently received by the municipal employees. This draft specifies that the overall compensation must be considered as a whole.

WLC: 0019

The draft requires the Department of Employee Trust Funds (DETF) to prepare a report on the feasibility of offering a group health insurance plan at 3 different cost levels to local government employers and employees.

The draft also creates in DETF a council on health care coverage programs. The purpose of the council is to advise DETF on the effectiveness and efficiency of the health care coverage programs administered by DETF and to provide information to DETF on future trends related to the operation of state health care coverage programs. The council must also review DETF's proposal for local government health insurance at 3 different cost levels.

The draft provides that the council consists of 5 members appointed by the governor for 3—year terms. The members must be selected from the academic profession and the private sector based on their expertise in health insurance issues and the analysis of health care trends.

WLC: 0017

Under current law, the GIB is required to select and contract with employee-funded reimbursement account plan providers to be used by state agencies. An employee-funded reimbursement account plan is a plan in accordance with s. 125 of the internal revenue code under which an employee may direct an employer to place part of the employee's gross compensation in an account to pay for certain future expenses, such as medical care and dependent care, under s. 125 of the internal revenue code.

This draft requires the GIB to make the employee-funded reimbursement account plan available to local government employers (a county; city; village; town; school district; other governmental unit or instrumentality of 2 or more units of government; a federated public library system within Milwaukee county; a local exposition district created under subch. II, ch. 229, stats.; and a family care district). The program would be available to local government employers at the employer's option. A local government employer participating in the program would be required to pay the same administrative fees to the state that participating state agencies are required to pay.

WLC: 0018

Under current law, the GIB must offer to certain eligible employees and state annuitants long-term care insurance policies which have been approved for sale by OCI and which have been approved for offering under contracts established by the GIB if the insurer requests that the policy be offered. The eligible employee or state annuitant is also allowed to purchase those policies for his or her spouse or parent. Under current law, employees of local governments are not currently eligible to purchase this insurance through the GIB.

This draft permits employees of local government employers (a city; county; village; town; school district; other governmental unit or instrumentality of 2 or more units of government; a federated public library system within Milwaukee county; a local exposition district created under subch. II, ch. 229, stats.; and a family care district) to purchase the long-term care insurance policies offered through the GIB.

WLC: 0020

This draft directs the Department of Administration (DOA) to establish an interagency task force to conduct a feasibility study on the formation of a state pool for the bulk purchasing of prescription drugs. The task force must be comprised of the following state agencies:

- 1. DOA.
- 2. DETF.
- 3. Department of Health and Family Services.
- 4. Department of Corrections.
- 5. Department of Veterans Affairs.
- 6. University of Wisconsin System.
- 7. Any other state agency that purchases prescription drugs or participates in programs that provide prescription drugs to individuals.

The task force must examine the following:

- 1. Which state agencies would benefit from the bulk purchasing of prescription drugs.
- 2. Which methods of purchasing prescription drugs would result in the greatest cost savings.
- 3. Whether combining bulk prescription drugs purchasing efforts with other states is feasible and cost effective.

- 4. How local governmental units could participate in the bulk purchasing of prescription drugs.
- 5. Whether it is feasible to include private sector entities in the bulk purchasing of prescription drugs.
- 6. The estimated cost savings that could be realized from the bulk purchasing of prescription drugs.

The task force must submit its report to the governor and to the legislature by June 1, 2003.

WLC: 0016

Under current law, an insurer must provide aggregate claims experience information, upon request, to the policyholder of a group health insurance policy and to an employer that provides health care coverage to its employees through a multiple-employer trust. This requirement applies only if the policyholder or employer provides coverage under the policy for at least 50 individuals (not counting individuals who are covered as dependents). Information must be provided for the current policy period and for the 2 immediately preceding policy periods if the insurer provided coverage during these periods, but information is not required to be provided for any period of time that is before 18 months before the date of the request. The insurer must provide the information within 30 days after receiving the request and may not charge for providing the information one time in a 12-month period but may charge for additional requests during that time period. [s. 632.797, stats.]

This draft does the following:

- 1. Requires OCI to promulgate an administrative rule developing a uniform form that an insurer must use in disclosing aggregate group health claims experience to local governmental units (which includes cities, villages, towns, counties, school districts, sewerage districts, drainage districts, and any other political subdivisions of the state) and to the Department of Electronic Government (DEG) when a local governmental unit requests its group health claims experience under s. 632.797, stats.
- 2. Requires a local governmental unit to notify DEG when the local governmental unit requests its group health claims experience if the insurer is required to provide the information under s. 632.797, stats.
- 3. Requires insurers to use this form to provide group health claims experience information to local governmental units and to DEG under s. 632.797, stats., and requires insurers to submit this information within 30 days after receiving the request.

- 4. Permits DEG to report to OCI if the insurer fails to submit the information before the deadline.
- 5. Requires DFG to post this information on the state's Internet site.

WLC: 0015

Under current law, a local governmental unit of the state (which includes cities, villages, towns, counties, school districts, sewerage districts, drainage districts, and any other political subdivisions of the state) may offer insurance for health care coverage to its employees (including retirees) and officers and their spouses and dependent children. (Alternatively, these governmental units may offer health care coverage through the WPEGHIP under certain circumstances, and certain of these governmental units may provide health care benefits on a self—insured basis.)

School boards must solicit sealed bids prior to selecting a provider of group health care benefits for school district professional employees. [s. 120.12 (24), stats.] For other local governmental units, the statutes do not specify whether bids for health care coverage are required or whether any bids must be sealed; such matters are determined by the local governmental unit. This draft does not change current law regarding whether bids are required or whether bids must be sealed.

This draft does the following:

- 1. Requires OCI to promulgate an administrative rule developing a uniform form that a local governmental unit must use if it solicits bids for health care coverage.
- 2. Requires insurers to use this form to submit bids to local governmental units.
- 3. Requires local governmental units that receive a bid for health care coverage to submit information about the bid to DEG no later than 30 days after the bid is received or, in the case of a sealed bid, no later than 30 days after the bid is opened. The information must be submitted in the format specified by DEG. The draft also requires local governmental units to take certain actions designed to notify the public that bid information is available.
- 4. Requires DEG to post the information on the state's Internet site in a manner determined by DEG to enable the general public to make meaningful comparisons of the bids received. The draft specifies that DEG may not charge local governmental units for posting the information.

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Additional provisions of the draft are explained in the Notes following some Sections.

SECTION 1. 15.167 of the statutes is created to read:

15.167 Same; councils. (1) Council on Health Care Coverage programs. There is created in the department of employee trust funds a council on health care coverage programs consisting of 5 members appointed by the governor for 3-year terms. Members shall be selected from the academic profession and the private sector based on their expertise in health insurance issues and health care trends.

Note: Creates a council on health care coverage in DETF. The council, an advisory body to DETF, is comprised of 5 members appointed by the governor for 3-year terms. The members, selected from the academic profession and the private sector, are appointed based on their expertise in health insurance issues and health care trends.

SECTION 2. 22.07 (10) and (11) of the statutes are created to read:

22.07 (10) Post on the state's Internet site, without charge to local governmental units, the information received from local governmental units under s. 66.0137 (5) (c) in a manner determined by the department to enable the general public to make meaningful comparisons of the bids received. The department shall specify the format that local governmental units shall use in submitting the information and shall make information about the format readily available to local governmental units.

(11) Post on the state's Internet site the aggregate group health claims experience information received from insurers under s. 632.797 (1) (d) in the manner determined by the department.

NOTE: Adds the above to the duties of DEG.

SECTION 3. 40.02 (25) (bm) of the statutes is amended to read:

40.02 (25) (bm) For the purpose of long-term care insurance, in addition to any state annuitant under s. 40.02 (54m), any employee of the state or of an employer other than the state

1	who received a salary or wages in the previous calendar year, and any participant who was at
2	one time employed by the state who receives a lump sum payment under s. 40.25 (1) which
3	would have been an immediate annuity if paid as an annuity, if the employee is a resident of
4	this state and meets all of the requirements for an immediate annuity including filing of an
5	application, whether or not final administrative action has been taken.
	NOTE: Revises the definition of eligible employee for the purpose of long-term care insurance to include employees of local governmental entities.
6	SECTION 4. 40.03 (6) (k) of the statutes is created to read:
7	40.03 (6) (k) Shall consult with representatives of group health insurance plans
8	regarding the feasibility of developing the following plans for employers to offer to employees
9	under s. 40.51 (7), and report its findings to the governor, and to the legislature under s. 13.172
10	(2), by July 1, 2003:
11	1. A group health insurance plan with at least 3 cost levels, for the purpose of offering
12	a greater choice of plans based on cost to employers and employees.
13	2. A low-cost health insurance plan that provides coverage for catastrophic illness or
14	injury.
	Note: Directs DETF to consult with representatives of group health insurance plans regarding the feasibility of developing a group health insurance plan with at least 3 cost levels, as well as low-cost, catastrophic health insurance plan. DETF must report its findings to the governor and the legislature by July 1, 2003.
15	SECTION 5. 40.57 of the statutes is created to read:
16	40.57 Council on health care coverage programs. The council on health care
17	coverage programs shall do all of the following:
18	(1) Advise the department on the effectiveness of health care coverage programs
19	administered by the department under this subchapter.

1	(2) Suggest improvements to the health care coverage programs under this subchapter.
2	(3) Review the report developed by the department under s. 40.03 (6) (k).
	Note: Establishes the duties of the council on health care coverage programs.
3	SECTION 6. 40.85 (1) and (2) (d) and (e) of the statutes are amended to read:
4	40.85 (1) The board shall select and contract with employee-funded reimbursement
5	account plan providers to be used by state agencies and, at their option, by employers other
6	than the state.
7	(2) (d) Approve the terms and conditions of model agreements which shall be used by
8	each state employee to establish an employee-funded reimbursement account.
9	(e) Require as a condition of the contractual agreements entered into under this section
10	that approved employee-funded reimbursement account plan providers may provide service
11	to state agencies and employers other than the state only as approved by the board.
	Note: Requires the GIB to make available to local government employers the employee–funded reimbursement accounts program.
12	SECTION 7. 40.875 (1) (a) (intro.) and (b) of the statutes are amended to read:
13	40.875 (1) (a) (intro.) Beginning on January 1, 1990, collect, from each state agency
14	and employer other than the state with employees eligible to participate in an
15	employee-funded reimbursement account plan, a fee in an amount determined by the
16	department to equal that state agency's or employer's share of all of the following:
17	(b) Establish a formula, subject to approval by the board, to determine the fees charged
18	to state agencies and employers other than the state under par. (a).
	Note: Authorizes the GIB to collect administrative fees from local governments participating in the employee–funded reimbursement accounts program.
19	SECTION 8. 66.0137 (1) of the statutes is amended to read:

1	66.0137 (1) Definition. In this section, "local governmental unit" means a city, village,
2	town, county, school district (as enumerated in s. 67.01 (5)), sewerage district, drainage
3	district, and, without limitation because of enumeration, any other political subdivision of the
4	state.
	Note: In the section relating to provision of insurance by local governmental units. deletes an obsolete reference to the enumeration of types of school districts.
5	SECTION 9. 66.0137 (5) of the statutes is renumbered 66.0137 (5) (a).
6	SECTION 10. 66.0137 (5) (b) and (c) of the statutes are created to read:
7	66.0137 (5) (b) If a local governmental unit solicits bids to provide health care coverage
8	under par. (a), the local governmental unit shall use the uniform local government health care
9	coverage bid form developed by the commissioner of insurance under s. 601.415 (13) to solicit
10	the bids.
11	(c) A local governmental unit shall submit information about a bid it receives to the
12	department of electronic government in the format specified under s. 22.07 (10) no later than
13	30 days after the bid is received or, in the case of a sealed bid, no later than 30 days after the
14	bid is opened. At the time the information is submitted to the department of electronic
15	government, the local governmental unit shall do at least one of the following:
16	1. Post the same information on the Internet site of the local governmental unit, if any.
17	2. Post notice on the Internet site of the local governmental unit, if any, that the
18	information has been submitted to the department of electronic government and will be
19	available on the state's Internet site.
20	3. Post or publish as a class 1 notice under ch. 985 a statement that the information has
21	been submitted to the department of electronic government and will be available on the state's

Internet site or a statement that the information may	be viewed at a specified location in the
local governmental unit, or both.	•

SECTION 11. 111.70 (4) (cm) 7r. d., e., f., and h. of the statutes are amended to read:

111.70 (4) (cm) 7r. d. Comparison of wages, hours and conditions of employment of the municipal employees involved in the arbitration proceedings with the wages, hours and conditions of employment of other employees performing similar services. In making this comparison, the arbitrator or arbitration panel shall consider wages, hours, and conditions of employment as a whole, rather than as individual elements compared in isolation.

- e. Comparison of the wages, hours and conditions of employment of the municipal employees involved in the arbitration proceedings with the wages, hours and conditions of employment of other employees generally in public employment in the same community and in comparable communities. In making this comparison, the arbitrator or arbitration panel shall consider wages, hours, and conditions of employment as a whole, rather than as individual elements compared in isolation.
- f. Comparison of the wages, hours and conditions of employment of the municipal employees involved in the arbitration proceedings with the wages, hours and conditions of employment of other employees in private employment in the same community and in comparable communities. In making this comparison, the arbitrator or arbitration panel shall consider wages, hours, and conditions of employment as a whole, rather than as individual elements compared in isolation.
- h. The overall compensation, considered as a whole, presently received by the municipal employees, including direct wage compensation, vacation, holidays and excused time, insurance and pensions, medical and hospitalization benefits, the continuity and stability of employment, and all other benefits received.

1	SECTION 12. 111.70 (4) (n) and (o) of the statutes are created to read:
2	111.70 (4) (n) Employer-initiated change of health care benefits plan provider. 1.
3	Regardless of the terms of a collective bargaining agreement, a municipal employer may
4	change its employee's health care benefits plan provider without the consent of the bargaining
5	unit if the benefits provided under the new plan are substantially similar to those provided
6	under the original plan and if the health care providers under the plans are the same. For
7	purposes of a qualified economic offer, a change of health care benefits plan provider under
8	this paragraph maintains fringe benefits under sub. (1) (nc).
9	2. Any savings realized as a result of a change under subd. 1. shall be used to increase
10	the salaries of the affected employees.
11	(o) Prohibited subject of collective bargaining. 1. A municipal employer is prohibited
12	from hargaining collectively with respect to the employer's selection of a health care benefit
13	plan or plans if the municipal employer offers to enroll its employees in a health care benefit
14	plan under s. 40.51 (7) or in a health care benefit plan that is substantially similar to a plan
15	offered under s. 40.51 (7). The commission shall use the rules promulgated by the
16	commissioner of insurance under s. 601.415 (15) to determine if a health care benefit plan is
17	substantially similar.
18	2. This paragraph does not apply to a municipal employer with respect to its school
19	district professional employees.
20	SECTION 13. 601.415 (13), (14), and (15) of the statutes are created to read:
21	601.415 (13) Local government health care coverage bid form rules. The
22	commissioner shall by rule develop a uniform local government health care coverage bid form
23	that a local governmental unit shall use under s. 66.0137 (5) (b) if the local governmental unit
24	solicits bids for health care coverage.

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NOTE: Adds the above to the duties of OCI.

(14) LOCAL GOVERNMENT HEALTH CLAIMS EXPERIENCE FORM RULES. The commissioner shall by rule develop a uniform local government health claims experience form that an insurer shall use under s. 632.797 (1) (d). The form may not require the disclosure of information that identifies an individual or that is confidential under s. 51.30 or 146.82 or any applicable federal law.

NOTE: Requires OCI to promulgate an administrative rule developing a uniform form that insurers must use when providing aggregate group health claims experience information to local governmental units and to DEG under s. 632.797, stats. The draft provides that the form may not require the disclosure of information that identifies an individual or information that is confidential under Wisconsin or federal laws relating to the confidentiality of medical records, including records relating to mental health or alcohol or other drug abuse.

- (15) SUBSTANTIALLY SIMILAR HEALTH CARE BENEFIT PLAN RULES. The commissioner shall promulgate the rules referred to under s. 111.70 (4) (o), setting out a standardized summary of benefits provided under health care benefit plans, including plans offered under s. 40.51 (7), for use in determining whether a health care benefit plan is substantially similar to a plan offered under s. 40.51 (7).
 - **SECTION 14.** 610.66 of the statutes is created to read:
- 610.66 Local government health care coverage bid form. Every insurer shall use the uniform local government health care coverage bid form developed by the commissioner under s. 601.415 (13) when submitting a bid to a local governmental unit under s. 66.0137 (5) (b).
 - SECTION 15. 632.797 (1) (d) of the statutes is created to read:
- 17 632.797 (1) (d) 1. If a local governmental unit as defined in s. 66.0137 (1) is the policyholder or employer and requests the information under par. (a), the local governmental

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- unit shall notify the department of electronic government when it makes a request for information that an insurer is required to provide under this section.
 - 2. If a request is made by a local governmental unit for information that an insurer is required to provide under this section, the insurer shall submit the information to the department of electronic government at the same time the insurer submits the information to the local governmental unit under par. (b).
 - 3. The insurer shall use the uniform local government health claims experience form developed by the commissioner under s. 601.415 (14) to submit the claims experience information to the local governmental unit and to the department of electronic government.
 - 4. If the insurer fails to submit the information to the department of electronic government by the deadline specified in subd. 2., the department of electronic government may report the failure to the commissioner of insurance.

NOTE: Under the statute that requires an insurer to provide aggregate group health claims experience information, upon request, to the policyholder or employer under certain circumstances, does the following:

- 1. Requires a local governmental unit to notify DEG when the local governmental unit requests aggregate group health claims experience information, if it is information that the insurer is required to provide under s. 632.797, stats.
- 2. Requires the insurer to submit the information to DEG at the same time the insurer submits the information to the local governmental unit. (The information must be submitted no later than 30 days after the insurer receives the request.)
- 3. Requires the insurer to use the uniform local government health claims experience form developed by OCI to provide the information.
- 4. Permits DEG to notify OCI if the insurer fails to submit the information to DEG before the 30-day deadline. (Under current law, OCI may investigate and take action to enforce statutory requirements in the insurance code.)

1	632.797 (5) An insurer is not required under sub. (1) to provide information that
2	identifies an individual or that is confidential under s. 51.30 or 146.82 or any applicable federal
3	<u>law</u> .
	Note: Current law specifies that in disclosing aggregate group health claims experience information to a policyholder or employer, an insurer is not required to disclose information that is confidential under s. 146.82, stats, which, in general, provides for the confidentiality of health care records. The draft adds reference to s. 51.30, stats., which provides for the confidentiality of mental health and alcohol or other drug abuse records, and adds reference to any applicable federal law.
4	SECTION 17. Nonstatutory provisions; administration.
5	(1) The secretary of administration shall appoint an interagency task force on bulk
6	purchasing of prescription drugs. The task force shall be comprised of the heads of the
7	following agencies, or their designees:
8	(a) Department of administration.
9	(b) Department of health and family services.
10	(c) Department of employee trust funds.
11	(d) Department of veterans affairs.
12	(e) Department of corrections.
13	(f) University of Wisconsin System.
14	(g) Any other state agency that purchases prescription drugs.
15	(2) The task force shall examine all of the following:
16	(a) Which state agencies would benefit from the bulk purchasing of prescription drugs.
17	(b) Which methods of purchasing prescription drugs would result in the greatest cost
18	savings.
19	(c) Whether the state should directly administer bulk purchasing of prescription drugs
20	or whether it should contract with a private entity.

1	(d) Whether combining prescription drugs purchasing efforts with other states is
2	feasible and cost effective.
3	(e) How local governmental units could participate in the bulk purchasing of
4	prescription drugs.
5	(f) Whether it is feasible to include private sector entities in the bulk purchasing of
6	prescription drugs.
7	(g) The estimated cost savings that could be realized from the bulk purchasing of
8	prescription drugs.
9	(3) The task force shall submit its findings to the governor and to the legislature in the
10	manner provided under section 13.172 (2) of the statutes by June 1, 2003.
	NOTE: Directs the DOA to establish an interagency task force to conduct a feasibility study on the formation of a state pool for the bulk purchasing of prescription drugs.
11	SECTION 18. Nonstatutory provisions; commissioner of insurance. (1) The
12	commissioner of insurance shall submit in proposed form the rules required under section
13	601.415 (13) and (14) of the statutes, as created by this act, to the legislative council staff under
14	section 227.15 (1) of the statutes no later than the first day of the 4th month beginning after
15	the effective date of this section.
	Note: Requires OCI to submit the proposed administrative rule setting forth the local government health care coverage bid form and the proposed administrative rule setting forth the local government health claims experience form to the rules clearinghouse operated by the legislative council staff no later than the first day of the 4th month after the effective date of this act.
16	SECTION 19. Nonstatutory provisions; employee trust funds. (1) COUNCIL ON
17	HEALTH CARE COVERAGE PROGRAMS. Notwithstanding the length of terms of members of the

1	board specified in section 15.167 (1) of the statutes, the initial members shall be appointed for
2	the following terms:
3	(a) Two members for a term that expires on July 1, 2005.
4	(b) Three members for a term that expires on July 1, 2006.
	Note: Requires the initial appointments of the members of the council on health care coverage to be for staggered terms.
5	SECTION 20. Initial applicability. (1) The treatment of sections 66.0137 (5) (b) and
6	(c) and 610.66 of the statutes, as created by this act, first applies to bids solicited by a local
7	governmental unit on the first day of the 3rd month beginning after the effective date of the
8	rule promulgated by the commissioner of insurance under section 601.415 (13) of the statutes
9	as created by this act.
	Note: Provides that the required use of the form applies to bids for health care coverage solicited by local governmental units on or after the first day of the 3rd month beginning after the effective date of the rule promulgating the form.
10	(2) The treatment of section 111.70 (4) (n) of the statutes, as created by this act, first
11	applies to contracts entered into on the effective date of this act.
12	(3) The treatment of section 632.797 (1) (d) of the statutes, as created by this act, first
13	applies to requests for health claims experience information made by a local governmental
14	unit on the first day of the 3rd month beginning after the effective date of the rule promulgated
15	by the commissioner of insurance under section 601.415 (14) of the statutes, as created by this
16	act.
	Note: Provides that the required use of the uniform local government health claims experience form by insurers and the required submission of the health claims experience information to DEG applies to requests for health claims experience made on or after the first day of the 3rd month

beginning after the effective date of the rule promulgating the form.